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SUBJECT: CONSUL GENERAL ATTENDS ARCTIC NUNAVUT TRADE SHOW, MAY 10-12

1. Summary: Quebec City Consul General Friedman, whose consular district includes the Canadian Arctic Territory of Nunavut, attended the annual Nunavut trade show in Iqaluit, May 10-12. Over the course of the trade show, she discussed with Nunavut businesses as well as GOC and GON officials investment and partnering opportunities in Nunavut for U.S. companies. Nunavut interlocutors singled out the following sectors as ripe for U.S. investment in Nunavut: Cold weather testing for U.S. manufacturers (aerospace, automotive, apparel and defense); tourism; mineral and petroleum resource development; and alternative energy r&d. Trade show participants and GON Ministers were enthusiastic about the results of Nunavut's trade and cultural mission to Boston last fall. GON Trade and Economic Development (TED) Minister Simailak also commented on the negative impact of the U.S. Marine Mammal Protection Act (MMPA) on the Nunavut economy and stressed the need to maintain the BSE exemption for Nunavut caribou and musk ox. Reftel reports on CG's meeting with ICC President Sheila Watt-Cloutier. End summary.

2. Thanks to BFIF funding, Quebec City CG was able to attend the 2005 Nunavut trade show in Iqaluit, May 10-12. That event brought together ninety-seven exhibitors from communities throughout the Canadian arctic and over a thousand visitors (Iqaluit's population is estimated at six thousand). Conferences held during the trade show focused on northern development; procurement strategies for aboriginal businesses; and GON fishing, mining and tourism strategies. CG took the opportunity to articulate U.S. interest in the region, draw attention to our Virtual Presence Post for Nunavut (www.nunavut.usvpp.gov), and hand out Mission Canada Foreign Commercial Service brochures.

3. In meetings on the margin of the trade show, CG discussed with various senior officials possible partnering and investment opportunities in Nunavut for U.S. businesses. GON TED Minister Simailak told CG that opportunities exist for US tourism facility operators to partner with Inuit and Nunavut businesses in developing infrastructure and capacity catering to the US tourism market. He cited eco/adventure tourism, sport hunts, arctic sport fishing and cruise ships.

4. Both the TED minister and Education and Technology Minister Ed Picco stressed their desire to work with U.S. companies interested in cold weather testing in the aerospace, automotive, apparel and defense technology sectors. While they acknowledged that competition exists with other Canadian arctic regions, Nunavut officials believe that the Iqaluit airstrip, built by the U.S. military, might attract the U.S. aerospace giants such as Pratt and Whitney to extend their cold weather testing to Nunavut. Minister Simailak also mentioned the desire to see more U.S. mineral and petroleum resource investment but he did not specify a given site (and we understand that Canadian companies are well-along in Nunavut mineral exploration).

Trade Mission to Boston

5. Minister Simailak said the GON was particularly pleased with the results of its trade mission to Boston, which resulted in deeper collaboration between Nunavut fisheries and Legal Seafood, Inc. Legal Seafood has basically told Nunavut that it will take whatever the region can deliver in terms of fresh arctic char. Cambridge Bay alone received another two thousand standing orders for its fisheries products in 2005.

Northwest Passage

6. GON officials are eager to explore with U.S. officials the impact and opportunities of an eventual opening of the Northwest Passage. Potential subjects worth addressing, we were told, include environmental impact assessments; developing international access and usage policies and regulations; ensuring that the rights and interest of Inuit and Nunavut inhabitants are respected; and the potential for economic spin offs. The GON favors creating a multilateral working group that would include Government agencies and stakeholders.

Miscellaneous

7. Minister Simailak told CG that the US Marine Mammal Protection Act remains a significant trade barrier with direct negative impacts on Nunavut sport hunts and on Nunavut's ability

to export of marine mammal products derived from sustainable, subsistence use of Nunavut marine mammals. Separately, he stressed the importance to Nunavut of the BSE exemption for Nunavut Caribou and Musk ox, noting that the U.S. market represents twenty-five percent of Nunavut's total Caribou exports.

BFIF Funding Status

18. Post spent US\$2511.26 from a total US\$2800 allocated this period.